

BEFORE THE
ILLINOIS COMMERCE COMMISSION

ILLINOIS-AMERICAN WATER COMPANY) DOCKET NO.
) 05-0176
)
Application for Approval of its)
Annual Reconciliation of Purchased)
Water and Purchased Sewage Treatment)
Surcharges Pursuant to 83 Ill.)
Admin. Code 655.)

Springfield, Illinois
October 13, 2005

Met, pursuant to notice, at 10:30 A.M.

BEFORE:

MR. JOHN ALBERS, Administrative Law Judge

APPEARANCES:

MS. MARY SULLIVAN
Associate Counsel
100 North Water Works Drive
Belleville, Illinois 62223

(Appearing on behalf of Illinois-American
Water Company via teleconference)

SULLIVAN REPORTING COMPANY, by
Carla J. Boehl, Reporter
Ln. #084-002710

Sullivan Reporting Company
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1 APPEARANCES: (Cont'd)

2 MS. MARY EVERSON
3 Public Utilities Bureau
4 527 East Capitol Avenue
5 Springfield, Illinois 62701

6 (Appearing on behalf of Staff of the
7 Illinois Commerce Commission)

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I N D E X

<u>WITNESSES</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
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I N D E X

<u>EXHIBITS</u>	<u>MARKED</u>	<u>ADMITTED</u>
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IAWC 1.0	e-Docket	16
IAWC 1.1, 1.2, 1.3	late-filed	16
IAWC 2.0	e-Docket	16
ICC Staff 1.0	e-Docket	18

PROCEEDINGS

JUDGE ALBERS: By the authority vested in me by the Illinois Commerce Commission, I now call Docket Number 05-0176. This docket concerns the application filed by Illinois-American Water Company seeking approval of its annual reconciliation of purchased water and purchased sewage treatment surcharges.

May I have the appearances for the record, please?

MS. SULLIVAN: Yes. On behalf of Illinois-American Water Company, Mary Sullivan. My address is 100 North Water Works Drive, Belleville, Illinois 62223.

MS. EVERSON: Mary Everson with the Public Utilities Bureau of the Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, Illinois 62701.

JUDGE ALBERS: Thank you. Let the record reflect that there are no others wishing to enter an appearance.

Are there any preliminary matters this

1 morning? Hearing none, we will go ahead.

2 I have received the direct and rebuttal
3 testimony of Illinois-American's witness as well as
4 testimony of Ms. Everson in this matter.
5 Ms. Sullivan, if you would like to call your
6 witness, I will go ahead and swear him in as well as
7 Ms. Everson.

8 MS. SULLIVAN: Yes, I will go ahead and call
9 Gary VerDouw.

10 JUDGE ALBERS: Mr. VerDouw, would you stand and
11 raise your right hand?

12 MR. VERDOUW: Yes.

13 (Whereupon the
14 Witnesses were duly
15 sworn by Judge Albers.)

16 JUDGE ALBERS: Thank you. Please proceed,
17 Ms. Sullivan.

18 MS. SULLIVAN: Yes.

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GARY M. VERDOUW

called as a Witness on behalf of Applicant, having
been first duly sworn, was examined and testified as
follows:

DIRECT EXAMINATION

BY MS. SULLIVAN:

Q. Gary, would you go ahead and state your
name and spell your last name for the court
reporter.

A. My name is Gary VerDouw. Last name is
spelled capital V as in victor, E-R capital D as in
dog, O-U-W. It is all one word, VerDouw. I am a
Senior Financial Analyst in the Rates and
Regulations Department for the American Water Works
Company.

Q. Gary, are you the same individual who
previously filed direct testimony and rebuttal
testimony in this docket?

A. I am.

Q. And have you had an opportunity to review
your direct and rebuttal testimony this morning?

1 A. I have.

2 Q. Looking at your direct testimony, does your
3 direct testimony consist of 14 pages?

4 A. It does.

5 Q. And was that filed on e-Docket?

6 A. Yes, it was.

7 Q. And if you were asked the same questions
8 today, would your answers to those questions be the
9 same today as when you filed your testimony?

10 A. They would.

11 Q. Do you have any changes with reference to
12 -- with regard to your direct testimony?

13 A. I do not with the exception of the matter
14 of the Southwest Suburban Service District revised
15 Exhibits A, B and D. They are the second revised
16 exhibits. I understand that they have not been
17 recorded under e-Docket. And those were the
18 exhibits that were referenced throughout the
19 reconciliation. They were mailed to Elizabeth
20 Rolando on May 19, 2005. Those are the exhibits,
21 Revised Exhibits A, B and D for Southwest Suburban,
22 that were used throughout the reconciliation

1 process.

2 Q. Okay. Looking at -- and we will identify
3 those then as attachments to -- or I am sorry, are
4 you asking leave to file these late as exhibits to
5 this direct testimony as Exhibits 1.1, 1.2, 1.3,
6 Second Revised Exhibits A, B and D for Southwest
7 Surburan?

8 A. Yes, I will ask leave to do that, please.

9 JUDGE ALBERS: Okay. So you are identifying
10 them as Exhibits 1.1, 1.2 and 1.3, Second Revised
11 Exhibits A, B and D for Southwest Surburan?

12 MS. SULLIVAN: Correct. Also seeking leave to
13 file those as late-filed exhibits after the hearing.

14 JUDGE ALBERS: Okay. Will you be filing that
15 on e-Docket yourself or just mailing the hard copies
16 to me?

17 MS. SULLIVAN: Whichever your preference is. I
18 could easily put them on e-Docket.

19 JUDGE ALBERS: E-Docket is fine. I just want
20 to know which way to expect it.

21 MS. SULLIVAN: Yeah, I will put them on
22 e-Docket and I will go ahead, of course, and also

1 send a copy to you and Mary Everson.

2 JUDGE ALBERS: That's fine, thank you. Will
3 you put them on e-Docket today?

4 MS. SULLIVAN: Yes.

5 JUDGE ALBERS: Okay, that's fine. I am sorry,
6 did you move for the admission?

7 MS. SULLIVAN: I move for leave to file those
8 as late-filed exhibits.

9 JUDGE ALBERS: I will grant that request.

10 MS. EVERSON: I have no objection.

11 BY MS. SULLIVAN:

12 Q. And then moving forward, Gary, did you also
13 have an opportunity to review your rebuttal
14 testimony?

15 A. I did.

16 Q. Does that consist of four pages?

17 A. It does.

18 Q. Was it previously filed on e-Docket?

19 A. It was.

20 Q. If you were asked the same questions today,
21 would your answers be the same today as when you
22 filed them?

1 A. Yes, they would.

2 MS. SULLIVAN: I would move for the admission
3 of Mr. VerDouw's testimony, both direct and
4 rebuttal.

5 JUDGE ALBERS: And Exhibit 1 and Exhibit 2 are
6 both on e-Docket already, correct?

7 MS. SULLIVAN: That is correct.

8 JUDGE ALBERS: Is there any objection?

9 MS. EVERSON: No.

10 JUDGE ALBERS: Hearing no objection, then Staff
11 Exhibit 1.0 and 2.0 are admitted.

12 (Whereupon IAWC
13 Exhibits 1.0 and 2.0
14 were admitted into
15 evidence.)

16 JUDGE ALBERS: I would also note that 1.1 and
17 1.2 and 1.3 are also admitted subject to receipt,
18 upon the receipt.

19 (Whereupon IAWC
20 Exhibits 1.1, 1.2 and
21 1.3 were admitted into
22 evidence subject to

1 receipt.)

2 Anything further, Ms. Sullivan?

3 MS. SULLIVAN: None from the company.

4 JUDGE ALBERS: Do you have any questions,

5 Ms. Everson?

6 MS. EVERSON: No, I don't.

7 JUDGE ALBERS: Thank you. At this time I do
8 not have any questions for you, sir. Thank you.

9

10 (witness excused.)

11 MARY EVERSON

12 called as a Witness on behalf of the Staff of the
13 Illinois Commerce Commission, having been first duly
14 sworn, was examined and testified as follows:

15 STATEMENT

16 BY MS. EVERSON:

17 I am presenting ICC Staff Exhibit 1.0
18 entitled the Direct testimony of Mary H. Everson.
19 It was prefiled on e-Docket on August 25, 2005. It
20 consists of a cover page and 13 pages of written
21 testimony and 16 pages of schedules labeled 1
22 through 4.

1 I have one clarification regarding filing
2 of that exhibit. Originally it was filed on
3 e-Docket that morning as the direct testimony and
4 later in the afternoon when we realized that the
5 files that were placed on e-Docket did not contain
6 the schedules, we filed it again at 1:48 in the
7 afternoon and it was labeled corrected. The only
8 change between those two filings is that the one
9 labeled "correction" on e-Docket contains all of the
10 schedules. The first version did not. So there is
11 no correction except that the filing was incomplete
12 originally.

13 JUDGE ALBERS: Okay, but you noticed it the
14 same day?

15 MS. EVERSON: Correct. Other than that, if I
16 was asked the same questions contained in the
17 testimony today, my answers would be the same. And
18 I have no other additions or change to this exhibit.

19 I am offering Staff Exhibit 1.0 for
20 admittance into the record in this proceeding.

21 MS. SULLIVAN: No objection from the company.

22 JUDGE ALBERS: Hearing no objection, then the

1 corrected version of Staff Exhibit 1.0 is admitted.
2 (Whereupon ICC Staff Exhibit 1.0 was
3 admitted into
4 evidence.)

5 JUDGE ALBERS: Do you have any questions for
6 Ms. Everson?

7 MS. SULLIVAN: The company does not have
8 questions.

9 JUDGE ALBERS: Thank you. I just have one
10 question for you, or at least one.

11 EXAMINATION

12 BY JUDGE ALBERS:

13 Q. Turning to page 12 of your testimony?

14 A. Okay.

15 Q. At lines 246 and 247 you recommend that
16 Illinois-American be required to bring the water
17 delivery agreement that it has with American Water
18 Works Company back to the Commission for reapproval.
19 Am I reading that correctly?

20 A. I don't believe you are. What I am saying
21 there is that in the future if Illinois-American
22 were not to provide invoices as specified in the

1 delivery contract, it could result in my
2 disallowance of all of those costs. And at that
3 point we would also recommend that the Commission
4 require the company to come in with that agreement
5 again.

6 Q. Okay. So that's just a second consequence
7 of not providing invoices?

8 A. Correct, a possible consequence.

9 Q. Possible consequence. All right. Thank
10 you.

11 A. You are welcome.

12 JUDGE ALBERS: All right. That was all I had
13 then. Thank you, Ms. Everson.

14 Anything further from the Staff?

15 MS. EVERSON: Not from me.

16 JUDGE ALBERS: Okay. I am not aware of
17 anything else. It looks like all the issues are
18 resolved in this matter. Ms. Sullivan, would you be
19 willing to provide a draft order in conjunction with
20 the Staff?

21 MS. SULLIVAN: Yes, I will prepare a draft and
22 send it to Mary Everson for review. And then when

1 we hopefully agree to the wording of that order, we
2 will submit it to you for review and then ultimately
3 hopefully you will get it before the Commission.

4 JUDGE ALBERS: That's my plan. Do you have any
5 rough estimate as to when I might see that?

6 MS. SULLIVAN: I started working on the draft
7 order this morning. It is being typed. I will be
8 pretty much copying what we did last year, obviously
9 updating with the testimony this year. I don't
10 anticipate it taking that long. So the bad news, I
11 am out the rest of this week after today and out
12 most of next week so I will try to get it to you the
13 first part of next week when I am in, but it may not
14 be until the following Monday. Is that acceptable?

15 MS. EVERSON: So just to clarify, Mary, are we
16 talking about -- give me the date that you are
17 thinking you could get it to me.

18 MS. SULLIVAN: I am hoping to have it to you
19 Monday the 17th. Somewhere between the 17th and the
20 19th is my goal. I am just being realistic saying
21 -- because I know I am out all day Friday and out
22 part of next week. I was afraid it might have to be

1 the following Monday which I guess would be the
2 14th.

3 MS. EVERSON: Either one of those will be fine
4 with me and I can turn it around in a week.

5 JUDGE ALBERS: So it looks like I would
6 probably get it sometime the first week in November.
7 Does that seem reasonable?

8 MS. SULLIVAN: I think so, yes.

9 JUDGE ALBERS: That's fine. All right. We
10 will just say November 4, just to have a date.

11 Anything further?

12 MS. SULLIVAN: Just for clarification, do you
13 like for me to file the draft order on e-Docket and
14 send it to you in Word or do we send it straight to
15 you and not file it on e-Docket?

16 JUDGE ALBERS: That's up to you. Some people
17 would like to have the fact that they filed that
18 reflected on the record, but it is whatever is
19 easier for you. Either way I want a Word version.
20 That's all I am worried about.

21 MS. SULLIVAN: I will get you a Word version
22 but I might file this just so I know -- it puts the

1 deadline in for me to make sure I get it done.

2 JUDGE ALBERS: That's fine. Well, thanks
3 everyone and we have admitted the late-filed
4 exhibits so I will go ahead and mark the record
5 heard and taken today.

6 HEARD AND TAKEN

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